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1010 PRINTING GROUP LIMITED
匯星印刷集團有限公司*
(Incorporated in Bermuda with limited liability)
(Stock code: 1127)

FURTHER INFORMATION
IN RELATION TO THE ANNUAL REPORT OF THE COMPANY
FOR THE YEAR ENDED 31 DECEMBER 2013

Reference is made to the annual report of 1010 Printing Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") for year ended 31 December 2013 ("**Annual Report**") published on the websites of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Company on 18 March 2014.

In addition to the information provided in the Annual Report, the Company would like to further inform the holders (the "**Shareholders**") of its ordinary shares of HK\$0.01 each (the "**Shares**") and the potential investors of the Company the following information:

1. Use of proceeds from the placing, public offer and preferential offer of Shares on 25 July 2011 ("IPO Share Offer")

On 25 July 2011, the Company issued a total of 125,000,000 Shares at HK\$0.70 each and raised net proceeds of approximately HK\$78.2 million in the IPO Share Offer.

The proceeds from IPO Share Offer was used as at 31 December 2013 as follows:

- (a) *Purchase of new machinery and equipment*
Proceeds intended to be used: around HK\$41.0 million (i.e. about 52.4% of the net proceeds)
As at 31 December 2013, the Group utilised around 45% of the net proceeds to purchase new machinery and equipment including new offset printing press, digital printing press(es) and new hardcover line(s).
- (b) *Development of PRC book publishing brokerage and promotion business*

Proceeds intended to be used: around HK\$24.2 million (i.e. about 31.0% of the net proceeds)

The Group did not succeed in identifying suitable PRC publishing partners to carry out the publishing business in the PRC, but instead acquired the entire issued share capital of Asia Pacific Offset Limited ("APOL"), which carries out the business of printing management. The details of the acquisition were disclosed in the circular of the Company dated 14 January 2013. As at 31 December 2013, the Group utilised around 51% of the net proceeds to pay part of the consideration for the acquisition.

(c) *Development of electronic book conversion services*

Proceeds intended to be used: around HK\$5.0 million (i.e. about 6.4% of the net proceeds)

As at 31 December 2013, the Group utilised around 2% of the net proceeds to pay emolument and software/hardware cost as development of electronic book conversion services.

(d) *General working capital*

Proceeds intended to be used: around HK\$8.0 million (i.e. about 10.2% of the net proceeds)

Proceeds actually used as at 31 December 2013: around 2% of the net proceeds.

2. Use of proceeds from the rights issue on 10 April 2013 ("Rights Issue")

On 10 April 2013, the Company issued a total of 200,000,000 Shares ("**Rights Shares**") at HK\$0.50 each on the basis of two new shares for every five existing shares held by the then Shareholders on 14 March 2013.

As disclosed in the prospectus of the Company dated 15 March 2013, the Company planned to use the proceeds from the Rights Issue in or towards the financing of potential acquisitions or new investments.

A net proceeds of approximately HK\$98.8 million was raised from the Rights Issue, all of which had been applied as follows as at the date of this announcement:

(a) *Purchase of new machinery and equipment*

Proceeds intended to be used: around HK\$10.0 million (i.e. about 10.1% of the net proceeds)

As at 31 December 2013, the Group utilised around 16% of the net proceeds to purchase new machinery and equipment, including a new offset printing press and paper cutting machine.

(b) *Repayment of the shareholder's loan from Cinderella Media Group Limited*

Proceeds intended to be used: around HK\$34.0 million (i.e. about 34.4% of the net proceeds)

On 15 April 2014, the Group utilised around 34% of the net proceeds to repay the shareholder's loan advanced by Cinderella Media Group Limited to the Company at an interest rate of 3 months HIBOR plus 2.25%. The early repayment of the above loan saved the interest expense of the Company of around HK\$0.4 million.

(c) *Payment of the final instalment of consideration for the acquisition of Asia Pacific Offset Limited*

Proceeds intended to be used: around HK\$32.0 million (i.e. about 32.4% of the net proceeds)

On 28 December 2013, the Group utilised around 30% of net proceeds to pay for the early payment of the final instalment of consideration for the acquisition of the entire issued share capital of APOL. The Group earned an early payment discount of HK\$1.76 million.

(d) *General working capital*

Proceeds intended to be used: around HK\$22.8 million (i.e. about 23.1% of the net proceeds)

Proceeds actually used as at 31 December 2013: around 20% of the net proceeds.

The above additional information does not affect other information contained in the Annual Report and, save as disclosed in this announcement, the contents of the Annual Report remain unchanged.

By order of the Board
Lau Chuk Kin
Executive Director

Hong Kong, 5 August 2014

As at the date of this announcement, the Board comprises Mr. Yang Sze Chen, Peter, Mr. Lau Chuk Kin, Mr. Li Hoi David and Mr. Lam Wing Yip as executive directors; Mr. Yeung Ka Sing, Prof. Lee Hau Leung, Mr. Tsui King Chung, David and Dr. Ng Lai Man, Carmen as independent non-executive directors.

* For identification purpose only